

ASSEMBLY BILL

No. 2227

Introduced by Assembly Member Villines

February 18, 2010

An act to amend Section 6147 of the Business and Professions Code, relating to attorneys.

LEGISLATIVE COUNSEL'S DIGEST

AB 2227, as introduced, Villines. Attorneys: contingency fees.

Existing law, the State Bar Act, provides for the licensure and regulation of attorneys by the State Bar of California. Existing law requires an attorney who contracts with a client on a contingency fee basis to enter into a specified written contract with the plaintiff and requires the contract to include certain statements.

This bill would make a nonsubstantive, technical change to those provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 6147 of the Business and Professions
- 2 Code is amended to read:
- 3 6147. (a) An attorney who contracts to represent a client on a
- 4 contingency fee basis shall, at the time the contract is entered into,
- 5 provide a duplicate copy of the contract, signed by both the attorney
- 6 and the client, or the client's guardian or representative, to the
- 7 plaintiff, or to the client's guardian or representative. The contract

1 shall be in writing and shall include, but is not limited to, all of
2 the following:

3 (1) A statement of the contingency fee rate that the client and
4 attorney have agreed upon.

5 (2) A statement as to how disbursements and costs incurred in
6 connection with the prosecution or settlement of the claim will
7 affect the contingency fee and the client's recovery.

8 (3) A statement as to what extent, if any, the client could be
9 required to pay any compensation to the attorney for related matters
10 that arise out of their relationship not covered by their contingency
11 fee contract. This may include any amounts collected for the
12 plaintiff by the attorney.

13 (4) Unless the claim is subject to the provisions of Section 6146,
14 a statement that the fee is not set by law but is negotiable between
15 attorney and client.

16 (5) If the claim is subject to the provisions of Section 6146, a
17 statement that the rates set forth in that section are the maximum
18 limits for the contingency fee agreement, and that the attorney and
19 client may negotiate a lower rate.

20 (b) Failure to comply with any provision of this section renders
21 the agreement voidable at the option of the plaintiff, and the
22 attorney shall thereupon be entitled to collect a reasonable fee.

23 (c) This section shall not apply to contingency fee contracts for
24 the recovery of workers' compensation benefits.

25 ~~(d) This section shall become operative on January 1, 2000.~~